

302 KAR 35:050. Inventory shortage.

RELATES TO: KRS 251.420-251.510

STATUTORY AUTHORITY: KRS 251.490

NECESSITY, FUNCTION, AND CONFORMITY: To make provisions for a licensee to make up his inventory shortage.

Section 1. Whenever an inspection determining that a licensee does not have in his possession sufficient grain, or account for the grain in other approved ways, the licensee will be notified to:

(1) Cover such shortage by cash or grain.

(2) Furnish a bond to cover full value of grain that is short.

(3) Submit to further investigation to determine if licensee is solvent or insolvent. If such licensee fails to comply within twenty-four (24) hours from date of issuance of notice or within such further times as may be allowed, the chairman of the State Board of Agriculture or his designate may petition the county court where the licensee's place of business is located authorizing the seizure and possession of the establishment, of all grain, and all pertinent records. After seizure and further investigation, if there is evidence that the licensee is insolvent and is unable to satisfy the claims of all depositors, the chairman of the State Board of Agriculture or his designate may petition the courts to appoint a receiver to liquidate the business in accordance with the law. (KDA-M-5; 1 Ky.R. 1029; eff. 6-11-75.)